

**Friends of Southern University-Shreveport  
Shreveport, Louisiana**

**Financial Statements  
June 30, 1995**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3-13-96

Friends of Southern University-Shreveport  
Shreveport, Louisiana

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**Friends of Southern University-Shreveport**  
**Shreveport, Louisiana**

Balance Sheet  
June 30, 1995

**Exhibit A**

		<u>Current Funds</u>		<u>Property and Equipment Fund</u>	<u>Total</u>
		<u>Unrestricted</u>	<u>Restricted</u>		
<b>Assets</b>					
Current Assets					
Cash		\$ -	\$ 40,786	\$ -	\$ 40,786
Total Current Assets		<u>-</u>	<u>40,786</u>	<u>-</u>	<u>40,786</u>
Property and Equipment	Note 1				
Automobiles				26,552	26,552
Furniture and Equipment				34,328	34,328
Total Property and Equipment		<u>-</u>	<u>-</u>	<u>60,880</u>	<u>60,880</u>
Total Assets		<u>\$ -</u>	<u>\$ 40,786</u>	<u>\$ 60,880</u>	<u>\$ 101,666</u>
<b>Liabilities and Fund Balance</b>					
Current Liabilities					
Accounts Payable		\$ -	\$ 12,516	\$ -	\$ 12,516
Deferred Income	Note 2	<u>-</u>	<u>28,270</u>	<u>-</u>	<u>28,270</u>
Total Current Liabilities		<u>-</u>	<u>40,786</u>	<u>-</u>	<u>40,786</u>
Fund Balances		<u>-</u>	<u>-</u>	<u>60,880</u>	<u>60,880</u>
Total Liabilities and Fund Balances		<u>\$ -</u>	<u>\$ 40,786</u>	<u>\$ 60,880</u>	<u>\$ 101,666</u>

The Notes to Financial Statements are an integral part of these statements.

# Friends of Southern University-Shreveport

Shreveport, Louisiana

Statement of Public Support, Revenue and Expenses and Changes in Fund Balance  
For the Year Ended June 30, 1995

**Exhibit B**

	Current Funds		Property and Equipment Fund	Total
	Unrestricted	Restricted		
Public Support and Revenue				
Government Grants and Fees	\$	\$ 189,230	\$	\$ 189,230
Total Public Support and Revenue	-	189,230	-	189,230
Expenses				
Program Services	-	84,005	-	84,005
Total Program Services	-	84,005	-	84,005
Support Services-Administration		69,031	-	69,031
Total Support Services	-	69,031	-	69,031
Total Expenses	-	153,036	-	153,036
Excess of Public Support and Revenue over Expenses	-	36,194	-	36,194
Fund Balances (Deficit), Beginning of the year	-	(4,400)	29,086	24,686
Property Acquired with Restricted Funds	-	(31,794)	31,794	-
Fund Balances, End of the year	\$ -	\$ -	\$ 60,880	\$ 60,880

The Notes to Financial Statements are an integral part of these statements.

# **Friends of Southern University-Shreveport** **Shreveport, Louisiana**

Statement of Functional Expenses  
For the Year Ended June 30, 1995

**Exhibit C**

	<u>Support Services</u>	<u>Program Services</u>	
	<u>Administration</u>	<u>Community Services</u>	<u>Total</u>
Salaries and Fringes	\$ 54,381	\$ 45,453	\$ 99,834
Accounting and Professional Services	6,550	5,000	11,550
Supplies	4,433	1,008	5,441
Maintenance Supplies	1,470		1,470
Community Activities		11,754	11,754
Community Improvements		3,685	3,685
Postage	286		286
Equipment Maintenance and Repairs	332		332
Printing/ Promotions	295	3,443	3,738
Travel	350		350
Insurance		5,999	5,999
Building Rent		6,000	6,000
Other	934	1,663	2,597
Total Expenses	\$ <u>69,031</u>	\$ <u>84,005</u>	\$ <u>153,036</u>

The Notes to Financial Statements are an integral part of these statements.

Friends of Southern University-Shreveport  
Shreveport, Louisiana

Notes to Financial Statements  
June 30, 1995

**Program Description** - This program is funded by a State grant under a Cooperative Endeavor Agreement with the Governor's Office of Urban Affairs. The purpose of the program is to develop, operate and administer educational and cultural opportunities for citizens residing in the vicinity of Southern University-Shreveport campus and the Martin Luther King Dr. area.

**Note 1**    **Summary of Significant Accounting Policies**

**Accounting Basis**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles. The following information summarizes the accounting basis:

**Property and Equipment**

In accordance with grant award budgets approved by funding sources, equipment is capitalized in the period during which it is purchased and recognized as an asset. As a result, the statement of support, revenues and expenses and changes in fund balances include the cost of equipment purchased during the year.

Friends of Southern University-Shreveport does not provide depreciation on fixed assets as required by generally accepted accounting principles.

The equipment acquired is owned by Friends of Southern University-Shreveport (a nonprofit organization) while used in the program for which it was purchased or in other future authorized programs. The funding source, however, has a reversionary interest in the equipment purchased with grant funds; therefore, its disposition, as well as the ownership of any sale proceeds therefrom, is subject to funding source regulations.

These assets are accounted for in the equipment fund when their cost is \$225 or more. Donated equipment is also recorded in the equipment fund at the fair market value on the date of the gift when the value is \$225 or more.

**Revenues**

Revenues are recognized in the accompanying financial statements as follows:

**Grant and Reimbursement Contracts**

The funds due from various funding sources under grants and reimbursement contracts are recognized as revenue in the accounting period when the expenditures are incurred and the grant funds are earned.

### **Income Taxes**

Friends of Southern University-Shreveport is a corporation organized under the section 501 (c) (3) of the Internal Revenue Code of 1954 and is exempt from State franchise or income tax.

### **Restricted Funds**

Restricted funds represent amounts received under grants and contracts with varying funding sources. Restricted funds must be used in accordance with the contract with the funding sources. Unexpended amounts at the end of a contract period must be returned to the appropriate funding source.

### **Unrestricted Funds**

Unrestricted funds represent the portion of expendable funds that is available for the general support of the Organization.

### **Concentration of Credit Risk**

Cash consists of demand deposits at a commercial bank. The balance, as reflected in the bank's records, are insured by the Federal Deposit Insurance Corporation up to \$100,000.

### **Note 2 Deferred Income**

The Organization has \$28,270 of unused grant funds which is allowed to be carried over to the next fiscal period. This money is designated to be used during the summer program in place at the end of the current fiscal period.

### **Note 3 Commitments and Contingencies**

Grants require the fulfillment of certain conditions as set forth in grant contracts. Failure to fulfill the conditions as set forth in the grant contracts could result in a return of grant funds to the grantor.

**ROBERTS, CHERRY & COMPANY**  
*Certified Public Accountants, Consultants*

**Independent Auditor's Report**

To the Board of Directors  
Friends of Southern University-Shreveport  
Shreveport, Louisiana

We have audited the accompanying balance sheet of Friends of Southern University-Shreveport (a nonprofit organization) as of June 30, 1995, and the related statements of public support, revenues and expenses and changes in fund balances and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As explained in Note 1 to the financial statements, Friends of Southern University-Shreveport does not provide depreciation on fixed assets. In our opinion, generally accepted accounting principles require that depreciation be provided on fixed assets. It was not practicable to determine the effect of the unrecorded depreciation on the financial statements.

In our opinion, except for the effects of the matters discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Southern University-Shreveport as of June 30, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

  
ROBERTS, CHERRY AND COMPANY

A Corporation of  
Certified Public Accountants  
Shreveport, Louisiana  
December 12, 1995



**ROBERTS, CHERRY & COMPANY**  
*Certified Public Accountants, Consultants*

**Independent Auditor's Report on Internal Control Structure  
Based on an Audit of Basic Financial Statements Performed  
in Accordance with Government Auditing Standards**

To the Board of Directors  
Friends of Southern University-Shreveport  
Shreveport, Louisiana

We have audited the financial statements of Friends of Southern University-Shreveport (a nonprofit organization) as of and for the year ended June 30, 1995, and have issued our report thereon dated December 12, 1995.

We conducted our audit in accordance with generally accepted auditing standards, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.


The management of Friends of Southern University-Shreveport is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Friends of Southern University-Shreveport (a nonprofit organization) for the year ended June 30, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purposes of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have communicated to the management of Friends of Southern University-Shreveport in a separate letter dated December 12, 1995.

This report is intended for the information of the board of directors, management, and the state funding agency. However, this report is a matter of public record, and its distribution is not limited.

  
ROBERTS, CHERRY AND COMPANY

A Corporation of  
Certified Public Accountants  
Shreveport, Louisiana  
December 12, 1995

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**Independent Auditor's Report on Compliance  
Based on an Audit of Basic Financial Statements  
Performed in Accordance with Government Auditing Standards**

To the Board of Directors  
Friends of Southern University-Shreveport  
Shreveport, Louisiana

We have audited the financial statements of Friends of Southern University-Shreveport (a nonprofit organization) as of and for the year ended June 30, 1995, and have issued our report thereon dated December 12, 1995.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Friends of Southern University-Shreveport is the responsibility of Friends of Southern University-Shreveport's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Friends of Southern University-Shreveport's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the board of directors, management, and the state funding agency. However, this report is a matter of public record, and its distribution is not limited.

  
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A Corporation of  
Certified Public Accountants  
Shreveport, Louisiana  
December 12, 1995

**ROBERTS, CHERRY & COMPANY***Certified Public Accountants, Consultants*RECEIVED  
LEGISLATIVE AUDITOR

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Board of Directors  
Friends of Southern University-Shreveport  
Shreveport, Louisiana

In planning and performing our audit of the financial statements of Friends of Southern University-Shreveport for the year ended June 30, 1995, we considered the Organization's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

During our audit, we became aware of the following matter which is not considered to be a reportable condition, but is an opportunity for strengthening internal controls and operating efficiency. This letter does not affect our report dated December 12, 1995, on the financial statements of Friends of Southern University-Shreveport. We will review the status of these comments during our next audit engagement.

**Excess funding remaining at end of grant period**

We noted during our audit that there was excess funding which was not spent by the end of the grant period. The Organization was allowed to carryover these funds into the next fiscal period with the intention of using them to fund the summer program in place at the end of the fiscal year ended June 30, 1995. This situation creates ambiguity as to which program and period is funded from the individual grants.

*We recommend the Organization obtain written verification from the granting agency concerning their telephone conversation about the excess funding and the disposition of the excess funding. We also recommend that you demonstrate to the granting agency that the excess funds were used for the intended purposes of the summer program and were not commingled with expenditures in the fiscal period ending June 30, 1996. A separate general ledger for each funding period should be maintained in order to demonstrate segregation of funds expended for each individual grant period.*

*We also recommend that in the fiscal year 1996 the Organization provide the granting agency with a more detailed description of the programs and time periods for which each individual grant will be utilized. Management should also keep a detailed account of cash needs and budget to actual records to enable them to draw all grant funds down by the end of the grant period.*

We thank the management and personnel of Friends of Southern University-Shreveport for the cooperation and assistance given us during our audit. We believe the Organization has made significant progress since the last audit period. We are available to provide you assistance and consultation in the implementation of the above recommendations. This report is intended solely for management and should not be used for any other purpose.

*ROBERTS, CHERRY AND COMPANY*

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A Corporation of  
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**Receipt Acknowledged  
Legislative Auditor**By 

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*Certified Public Accountants, Consultants*

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Shreveport, Louisiana

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During our audit, we became aware of the following matter which is not considered to be a reportable condition, but is an opportunity for strengthening internal controls and operating efficiency. This letter does not affect our report dated December 12, 1995, on the financial statements of Friends of Southern University-Shreveport. We will review the status of these comments during our next audit engagement.

## **Excess funding remaining at end of grant period**

We noted during our audit that there was excess funding which was not spent by the end of the grant period. The Organization was allowed to carryover these funds into the next fiscal period with the intention of using them to fund the summer program in place at the end of the fiscal year ended June 30, 1995. This situation creates ambiguity as to which program and period is funded from the individual grants.

*We recommend the Organization obtain written verification from the granting agency concerning their telephone conversation about the excess funding and the disposition of the excess funding. We also recommend that you demonstrate to the granting agency that the excess funds were used for the intended purposes of the summer program and were not commingled with expenditures in the fiscal period ending June 30, 1996. A separate general ledger for each funding period should be maintained in order to demonstrate segregation of funds expended for each individual grant period.*

*We also recommend that in the fiscal year 1996 the Organization provide the granting agency with a more detailed description of the programs and time periods for which each individual grant will be utilized. Management should also keep a detailed account of cash needs and budget to actual records to enable them to draw all grant funds down by the end of the grant period.*

We thank the management and personnel of Friends of Southern University-Shreveport for the cooperation and assistance given us during our audit. We believe the Organization has made significant progress since the last audit period. We are available to provide you assistance and consultation in the implementation of the above recommendations. This report is intended solely for management and should not be used for any other purpose.

*ROBERTS, CHERRY AND COMPANY*

ROBERTS, CHERRY AND COMPANY

A Corporation of  
Certified Public Accountants  
December 12, 1995

# **ROBERTS, CHERRY & COMPANY**

*Certified Public Accountants, Consultants*

Board of Directors  
Friends of Southern University-Shreveport  
Shreveport, Louisiana

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